



The State of New Hampshire Insurance Department

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An Open Letter From Insurance Commissioner Paula Rogers to the Policyholders, Subscribers, Healthcare Providers and Insurance Brokers of Tufts Health Plan of New England

On November 22, 1999, TNE was placed under my direct control and supervision pursuant to a court approved Order of Rehabilitation. Charles Schneider, the special deputy rehabilitator, and my staff have aggressively pursued reorganization opportunities. No serious buyer has emerged to acquire all or some of TNE's business. While I believe that an adequate provider network can be maintained through the month of January, I am not comfortable that an adequate network can be maintained beyond that.

The failure of a buyer to emerge, the deterioration of the provider networks, and the eroding financial condition of TNE in any forward going capacity have necessitated a request that the Merrimack County Superior Court issue an Order of Liquidation effective January 3, 2000. Should the Court grant my request to enter a liquidation order on January 3, 2000, TNE's coverage obligations will continue for 30 days, or through February 2, 2000. **If you are a TNE subscriber or policyholder, this means that you must make arrangements for replacement coverage prior to February 2, 2000.** In no event will TNE have any coverage obligations after that date. Further, under an Order of Liquidation, TNE is prohibited from issuing or renewing policies. TNE commitments to issue new policies that will be effective after the liquidation order has been entered cannot be honored.

Should the requested Order issue, I will be sending formal notices of liquidation, along with claim forms and instructions for filing the same, to subscribers, policyholders, providers and agents. These notices and forms will also be available for download at our web site, www.state.nh.us/insurance.

I would like to remind all affected insureds that state and federal laws governing the availability of health insurance products in the small group market require other health insurance carriers to provide coverage without pre-existing condition waiting periods should policyholders change carriers. In addition, state replacement laws may provide additional protections for subscribers moving to another carriers. The Department has encouraged other insurers in the marketplace to facilitate an orderly accommodation of TNE's subscribers. The Department is working with the other health insurance carriers to facilitate coverage to impacted policyholders. You should be assured that the Department will be closely monitoring compliance with all existing state and federal laws.

If you are a TNE network provider, I would like you to know that I have taken steps to give TNE network providers increased security concerning reimbursement for care provided from the date of my petition. I have asked the court, in my Petition for Liquidation, to give priority to the claims of TNE network providers for services rendered from December 20, 1999 to February 2, 2000. In addition, you should know that network providers are required to give advance notice before a contract can be terminated. During the notice period and until the end of any month for which premium has been paid, providers are contractually bound to continue to provide covered health care services to subscribers.

I would also like to remind New Hampshire and Rhode Island policyholders and subscribers who purchased a Point of Service (POS) policy from TNE that they are actually insured through the Allianz Life Insurance Company of North America. Except for the fact that the Allianz POS policies are administered by TNE, the Department's action has no effect on the continued obligations of Allianz to its policyholders. However, since TNE was the administrator there may be changes to the provider network, the location where premiums are mailed and who you need to contact regarding claim disputes. You are an Allianz POS policyholder if your policy specifically names Allianz as the insurer. I have been in contact with Allianz and understand that they are seeking alternative administration for these POS policies. I anticipate that Allianz will contact its insureds with that pertinent information as soon as it is available.

If you are a Maine policyholder, you have received notice stating that your TNE coverage will end on March 31, 2000. Should the Court grant my request for an Order of Liquidation of January 3, 2000, the prior notice will no longer be valid and your coverage, too, will end February 2, 2000.

Tufts customer service representatives are being kept abreast of continuing developments. These customer service representatives, as well as the regulators in all three states are available to answer any questions you may have. To speak with a Tufts customer service representative, consumers may call 800-462-0224. In New Hampshire, consumers may call 800-852-3416 to speak with a consumer affairs specialist. In Maine, consumers may call 800-300-5000 and in Rhode Island consumers may call 800-869-5536.

A handwritten signature in black ink that reads "Paula Rogers".

Paula Rogers
Insurance Commissioner